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Message Text

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67
ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 INR-07 NSAE-00 FBO-02 ABF-01

FS-01 OMB-01 TRSE-00 AID-05 IGA-02 EB-07 EA-07 L-03

/047 W
---------- 011089
R 051140Z MAR 76
FM AMEMBASSY BRASILIA
TO SECSTATE WASHDC 4340

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E.O.11652: N/A
TAGS: EFIN, BR
SUBJECT: REQUEST FOR RELEASE OF BLOCKED VIETNAMESE FUNDS

REF: STATE 286196

1. AS REQUESTED REFTEL, EMBASSY HAS REVIEWED LIST OF EXPENSES, SUBMITTED BY THE ALGERIAN EMBASSY, IN CONNECTION WITH CLOSING DOWN THE FORMER SOUTH VIETNAMESE DIPLOMATIC MISSION IN BRASILIA. FOLLOWING IS OUR BREAKDOWN OF WHICH DEBTS WE BELIEVE CAN REASONABLY BE CONSIDERED AS LEGITIMATE CLOSING COSTS:

	REQUESTED BY ALGERIANS (CRUZEIROS)	WHAT ARE REASONABLE CLOSING COSTS
RENTS		
CHANCERY		
MAY-JUNE	7,920.00	7,920 (60 DAYS)
JUL-AUG	19,032.00	9,516 (30 DAYS)
RESIDENCE		
MAY-JULY	13,680.00	13,680 (90 DAYS)
AUG-OCT	17,024.00	- -

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TELEPHONE	1,756.73	1,756.73

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MAIL SERVICE	629.25	629.25
WATER/SEWAGE	877.00	877.00
ELECTRICITY	1,734.63	1,734.63
BRAZILIAN SALARIES		
CRUZEIRO DENOMINATED	3,220.00	3,220.00
INPS	2,850.00	2,850.00
DUTY FREE PRODUCTS	1,231.50	1,231.50
EXPENSES INCURRED IN CONNECTION W/RE-CLAIMING OFFICIAL CAR	5,468.50	- -
	75,423.61	43,415.11
	(US$8,049.48)	(US$4,633.42)
PLUS DOLLAR-DENOMINATED EXPENDITURES:		
BRAZILIAN SALARIES	$ 1,680.63	$ 1,680.63
TOTALS (US$)	$9,730.11	$6,314.05

2. CRUZEIRO EXPENDITURES DISALLOWED:
32,008.50 (US$3,416.06)

3. WITH RESPECT TO RENTS, WE ACCEPT AS A "REASONABLE" CLOSING COST RENTAL PAYMENTS ONLY FOR A PERIOD OF 90 DAYS FOLOWING THE CLOSING DOWN OF THE FORMER SOUTH VIETNAMESE MISSION AND THE BLOCKING OF THE DOLLAR ACCOUNT BY TREASURY. IT IS NORMAL PRACTICE IN BRAZIL TO INCLUDE A 90-DAY TERMINATION-OF-LEASE
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CLAUSE IN RENTAL CONTRACTS. THIS MEANS THAT WE DISALLOW: (A) ON THE CHANCERY, THE RENT PAID FOR AUGUST AND (B) ON THE RESIDENCE, THE RENT PAID FOR AUGUST, SEPTEMBER AND OCTOBER.

4. PAYMENTS FOR TELEPHONE, MAID SERVICE, WATER/ SEWAGE, ELECTRICITY, BRAZILIAN SALARIES, INPS, AND DUTY FREE PRODUCTS ARE ACCEPTABLE CLOSING COSTS. THE

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ALERIANS NEVER TOOK PHYSICAL POSSESSION OF THE PREMISES
OF THE FORMER MISSION SO THAT ALL THESE
SERVICES WERE IN FACT INCURRED BY THE SOUTH VIETNAMESE
EMBASSY.

5. THE EXPENSE INCURRED BY ITAMARATY IN CONNECTION
WITH RECLAIMING ONE OF THE OFFICIL VEHICLES WHICH AN
OFFICER
OF THE EMBASSY TRIED TO SELL AND POCKET THE
FUNDS CANNOT BE CONSIDERED
LEGITIMATE
CLOSING COSTS. HENCE, IT
SHOULD BE DISALLOWED.

6. IN SUMMARY. THE EMBASSY RECOMMENDS THAT WE ACCEPT
AS "REASONABLE" CLOSING COSTS, CR$43,415.11
(US$4,633.42) OF THE TOTAL CR$75,423.61
(US$8,049.48) CURZEIRO COSTS AND THE FULL AMOUNT OF
THE DOLLAR COSTS FOR BRAZILIAN SALARIES ($1,680.63).
THEREFORE, WE RECOMMEND THE UNBLOCKING OF US DOLLARS
6,314.05 (AT THE CURRENT EXCHANGE RATE OF 9.37 TO THE
DOLLAR) OUT OF A TOTAL OF US$9,730.11 REQUESTED BY THE
ALGERIAN EMBASSY.
CRIMMINS

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NNN

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Message Attributes

Automatic Decaptioning: X
Capture Date: 01 JAN 1994
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Current Classification: UNCLASSIFIED
Concepts: BLOCKED ASSETS, EMBASSIES, DIPLOMATIC MISSION CLOSING, DEBTS
Control Number: n/a
Copy: SINGLE
Draft Date: 05 MAR 1976
Decaption Date: 01 JAN 1960
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Authority: buchant0
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 28 MAY 2004
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04 MAY 2006

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Review Release Date: n/a
Review Release Event: n/a
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Status: NATIVE
Subject: REQUEST FOR RELEASE OF BLOCKED VIETNAMESE FUNDS
TAGS: EFIN, BR, VS, (NORTON, CHARLES R)
To: STATE
Type: TE
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